

## **STATE BOARD OF FINANCE**

**November 13, 2012**

### **Summary Minutes**

#### **Location:**

Via Video conference at the following locations:

Guinn Room  
101 N. Carson Street  
Carson City, NV 89701

Dept. of Personnel's Conference Room  
555 E Washington Avenue, Suite 1400  
Las Vegas, NV 89101

Governor Sandoval called the meeting to order.

#### *Board members present:*

Governor Brian Sandoval- Carson City  
Treasurer Kate Marshall- Carson City  
Controller Kim Wallin- Excused  
Steve Martin- Las Vegas  
Dave Funk- Carson City

Governor Sandoval called the meeting to order at 9:00 A.M.

#### **Agenda Item 1 – Public Comment:**

There was no public comment.

#### **Agenda Item 2 – Approval of the Board of Finance meetings minutes held on September 11, 2012.**

Governor Sandoval read a document from Controller Wallin, inquiring whether the minutes needed to be modified to reflect that the items were approved by a 4-0 vote, rather than 5-0 due to the Treasurer's excused absence. Mark Mathers, Secretary, confirmed that the 5-0 count needed to be changed to 4-0.

Dave Funk made a motion to approve the minutes for the September 11, 2012 meeting with the changes stated above. Steve Martin seconded the motion. Treasurer Marshall did not vote since she was excused from the September 11, 2012 meeting. The motion passed 3-0.

#### **Agenda Item 3 – For possible action - Discussion and possible action on a resolution approving the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement pertaining to the Douglas**

**County School District, Nevada General Obligation (Limited Tax) School Improvement Bonds, Series 2012 and Series 2013 in the combined maximum aggregate principal amount of \$17,500,000.**

Lori Chatwood stated Douglas County School District currently has \$18,360,000 under their allowed \$40,000,000 guarantee. Douglas County is asking for approval for \$17,500,000. Douglas County is asking for approval for two bonds, one in 2012 and one in 2013. With the approval of this guarantee Douglas County will realize approximately \$250,000 in savings over the life of the bonds.

Dave Funk asked if the bonds would be split equally. Lori Chatwood stated it would not be split equally but the bonds would not exceed the combined \$17,500,000.

Governor Sandoval presented questions from Controller Walin. Controller Wallin asked why there wasn't a letter from the Department of Taxation attached. Lori Chatwood stated the letter is attached. It is with the resolution.

Controller Wallin asked if the other counties were approaching the \$40,000,000 limit and asked for a status report. Lori Chatwood stated there are seventeen counties that can participate in the Permanent School Fund Guarantee program. Clark, Elko, Esmeralda, Eureka, Lander, and Washoe County have Zero outstanding against their \$40,000,000 limit. Carson City currently has \$35,845,000 outstanding. Church Hill currently has \$24,745,000 outstanding. Douglas County currently has \$35,860,000 outstanding with this approval. Humboldt currently has \$2,740,000 outstanding. Lincoln currently has \$5,829,300 outstanding. Lyon currently has \$39,170,000 outstanding. Mineral County currently has \$2,365,000. Nye County is currently at \$38,605,000 but they will be at their \$40,000,000 limit if agenda item 4 is approved. Perishing is currently at \$4,890,000 outstanding. Storey is currently at \$9,490,000 outstanding. White Pine is currently at \$3,015,000 outstanding.

Treasurer Marshall stated that all of the counties that have money out have made their payments in a timely fashion and there has never been a problem. Lori stated that is correct.

Treasurer Marshall made a motion to approve the resolution as described in Agenda Item 3. Dave Funk seconded the motion. The motion passed 4-0

**Agenda Item 4 – For possible action - Discussion and possible action on a resolution approving the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement pertaining to the Nye County School District, Nevada General Obligation (Limited Tax) Refunding Bonds, Series 2013 in the maximum aggregate principal amount of \$9,410,000.**

Lori Chatwood stated Lyon County School District is asking for approval of \$9,410,000 and are approximating savings \$200,000 over the life of these bonds by utilizing the guarantee.

Treasurer Marshall made a motion to approve Agenda Item 4. Steve Martin seconded that motion. Motion passed 4-0.

**Agenda Item 5 – For possible action - Discussion and possible action on a resolution authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Bonds (Nevada Municipal Bond Bank Project Nos. 84, 85 and 86), Series 2013A in the maximum aggregate principal amount of \$26,000,000; providing the form, terms, and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.**

Lori Chatwood stated the 2013A Bonds are municipal bank bonds and they are for refunding for savings and efficiencies. The bonds are ones that the State currently holds and they will be replaced with lower interest rate bonds. There are three entities which would be involved which are the Southern Nevada Water Authority, Moapa, and the City of Wells. There is a maximum amount authorized of \$26,000,000. With those three combined there is approximately \$4,000,000 in savings to these entities.

Dave Funk made a motion to approve Agenda Item 5. Steven Martin seconded the motion. The motion passed 4-0.

**Agenda Item 6 – Discussion and possible action on a resolution approving the issuance of the State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2013B in the maximum aggregate principal amount of \$23,000,000 and State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2013C in the maximum aggregate principal amount of \$3,000,000.**

Lori Chatwood stated the 2013B is a refunding of a currently outstanding bond for interest rate savings for approximately \$2,000,000. The 2013C is for matching money. The SRF program's funding derives from 80% from the Federal Government and 20% from the State. In order to get the match money, the State usually has to issue new bonds. The revolving fund with their financial advisor has been working with the Federal Environmental Protection Agency to propose that some of the refunding in the 2013B be converted to match monies. Therefore the State would not have to become indebted for the \$3,000,000 of the new monies. If this is approved, then the amount of the 2013B issuance will be reduced and then utilize the 2013C as a refunding for matching. If this is not approved, then 2013B will be refunded in its entirety for savings and have new money for the 2013C at \$3,000,000.

Governor Sandoval asked if entities come to the State for refunding opportunities or if the State goes to the entities to let them know they might want to consider refinancing. Treasurer Marshall stated normally an entity might go to the State but in terms of efficiency the State would send out notice to other entities that might be able to participate.

Dave Funk made a motion to approve Agenda Item 6. Steve Martin seconded the motion. The motion passed 4-0.

**Agenda Item 7 – For possible action - Discussion and possible action regarding the State Treasurer’s quarterly investment report for the quarter ended September 30, 2012 and investment policies for General Portfolio and Local Government Investment Pool (LGIP).**

Mark Mathers stated the market rates remain very range bound. There isn’t much movement. The biggest news in the markets is the Fed authorized a third round of quantitative easing. The Fed pushed back their projected point at which they would first consider raising the Federal Funds rate to mid-2015.

Dave Funk made a motion to approve Agenda Item 7. Steve Martin seconded the motion. The motion passed 4-0.

**Agenda Item 8 – For possible action – Discussion and possible action regarding the selection of a representative for the mandatory settlement conference regarding the State’s lawsuit with Lehman Brothers Commercial Bank.**

Dennis Belcourt stated the settlement judge has been appointed for this case and that there needs to be someone present to attend from the Board and the Treasurer’s Office. If there is a possible resolution, it would come back to Board for approval. The location for the settlement conference will be in Las Vegas.

Treasurer Marshall asked if Dennis Belcourt was going to be the attorney. Dennis Belcourt stated Blake Dorr would be the attorney.

The Board decided to have the Secretary of the Board represent the Treasurer’s Office at the settlement.

Treasurer Marshall made a motion to have Mark Mathers represent for the State and the Treasurer’s Office at the mandatory settlement conference in the State’s law suit with Lehman Brothers Commercial Bank. Dave Funk seconded the motion. The motion passed 4-0.

**Agenda Item 9 – Public Comment**

There was no public comment.

There were no additional Board comments or public comment.

Treasurer Marshall made a motion to adjourn the meeting. Dave Funk seconded the motion. The motion passed 4-0.

There being no further business, the meeting was adjourned at 9:31 AM.